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7	Attorneys for Defendant and Counterclaimant ROKID, INC.	
8	UNITED STATES D	ISTRICT COURT
9	NORTHERN DISTRIC	
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11	JUN FU,	Case No. 3:23-cv-04327-LB
12	Plaintiff,	
13	v.	DEFENDANT ROKID, INC.'S ANSWER TO PLAINTIFF'S
14	ROKID, INC.;	COMPLAINT AND COUNTERCLAIM AGAINST PLAINTIFF
15	DOES 1-100, inclusive,	
16	Defendants.	
17		State Complaint Filed: August 17, 2023 Removal Date: August 23, 2023
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20	ROKID, INC.,	
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22	Counter-Claimant,	
23	V.	
24	JUN FU; DOES 1-100, inclusive,	
25	Counter-Defendants.	
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	DEFENDANT'S ANSWER TO PLAINTIFF'S C	OMPLAINT AND COUNTERCLAIMS

DEFENDANT'S ANSWER TO PLAINTIFF'S COMPLAINT AND COUNTERCLAIMS AGAINST PLAINTIFF Case No. 3:23-cv-04327-LB

1	Defendant ROKID, INC. ("Rokid" or "Defendant"), by and through its undersigned
2	counsel, hereby submits its answer and affirmative defenses to the Complaint for Damages
3	("Complaint") filed by Plaintiff JUN FU ("Plaintiff"), as follows:
4	GENERAL ALLEGATIONS
5	1. Answering Paragraph 1 of the Complaint, Rokid admits that it employed Plaintiff
6	and that it is a California corporation. Rokid denies all remaining allegations.
7	2. Answering Paragraph 2 of the Complaint, the identities of Doe Defendants are
8	unknown. Rokid lacks knowledge or information sufficient to form a belief as to the truth of the
9	allegations in Paragraph 3 with respect to the Doe Defendants, and, on that basis, they are denied.
10	3. Answering Paragraph 3 of the Complaint, Rokid denies all allegations.
11	FACTUAL ALLEGATIONS
12	4. Answering Paragraph 4 of the Complaint, Rokid admits it hired Plaintiff in
13	November 2021, that his base salary was \$240,000, and that Plaintiff was eligible to receive a
14	bonus if he met certain performance criteria. Rokid denies all remaining allegations in Paragraph
15	4.
16	5. Answering Paragraph 5 of the Complaint, Rokid admits that Plaintiff received an
17	annual assessment in January 2023. Rokid denies all remaining allegations in Paragraph 5.
18	6. Answering Paragraph 6 of the Complaint, Rokid denies that it engaged in the acts
19	and omissions alleged in the Complaint. As to the remaining allegations in Paragraph 6, Rokid
20	lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
21	Paragraph 6, and, on that basis, they are denied.
22	7. Answering Paragraph 7 of the Complaint, Rokid denies that it engaged in the acts
23	and omissions alleged in the Complaint. As to the remaining allegations in Paragraph 7, Rokid
24	lacks knowledge or information sufficient to form a belief as to the truth of the allegations in
25	Paragraph 7, and, on that basis, they are denied.
26	8. Answering Paragraph 8 of the Complaint, Rokid denies that it engaged in the acts
27	and omissions alleged in the Complaint. As to the remaining allegations in Paragraph 8, Rokid
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Please note that Paragraph 11 is mislabeled as Paragraph 10 in the Complaint. Defendant's Answer to Plaintiff's Complaint matches Plaintiff's paragraph numbering in the Complaint for ease of comparison.

1	14. Answering Paragraph 14 of the Complaint, Rokid denies that Plaintiff suffered
2	damages, as expressed in the "DAMAGES" section of Plaintiff's Complaint and incorporates its
3	response to Paragraphs 37–39 as pertinent.
4	SECOND CAUSE OF ACTION
5	VIOLATION OF LABOR CODES 233, 234, AND 246.5 (KIN CARE)
6	15. Answering Paragraph 15 of the Complaint, Rokid refers to and incorporates herein
7	by reference its responses to all preceding allegations. Paragraph 15 of the Complaint contains no
8	allegations to admit or deny.
9	16. Answering Paragraph 16 of the Complaint, the allegations in Paragraph 16 are
10	conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required,
11	they are denied.
12	17. Answering Paragraph 17 of the Complaint, the allegations in Paragraph 17 are
13	conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required,
14	they are denied.
15	18. Answering Paragraph 18 of the Complaint, the allegations in Paragraph 18 are
16	conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required,
17	they are denied.
18	19. Answering Paragraph 19 of the Complaint, Rokid denies that Plaintiff suffered
19	damages, as expressed in the "DAMAGES" section of Plaintiff's Complaint and incorporates its
20	response to Paragraphs 37–39 as pertinent.
21	THIRD CAUSE OF ACTION
22	WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY
23	20. Answering Paragraph 20 of the Complaint, Rokid refers to and incorporates herein
24	by reference its responses to all preceding allegations. Paragraph 20 of the Complaint contains no
25	allegations to admit or deny.
26	21. Answering Paragraph 21 of the Complaint, the allegations in Paragraph 21 are
27	conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required,
28	they are denied.

1	22.	Answering Paragraph 22 of the Complaint, Rokid denies all allegations.
2	23.	Answering Paragraph 23 of the Complaint, the allegations in Paragraph 23 are
3	conclusions of	of law that Rokid cannot admit or deny. To the extent a response may still be required,
4	they are deni	ed.
5	24.	Answering Paragraph 24 of the Complaint, Rokid denies that Plaintiff suffered
6	damages, as	expressed in the "DAMAGES" section of Plaintiff's Complaint and incorporates its
7	response to F	Paragraphs 37–39 as pertinent.
8		FOURTH CAUSE OF ACTION
9		BREACH OF CONTRACT
10	25.	Answering Paragraph 25 of the Complaint, Rokid refers to and incorporates herein
11	by reference	its responses to all preceding allegations. Paragraph 25 of the Complaint contains no
12	allegations to	admit or deny.
13	26.	Answering Paragraph 26 of the Complaint, Rokid denies all allegations.
14	27.	Answering Paragraph 27 of the Complaint, the allegations in Paragraph 27 are
15	conclusions of	of law that Rokid cannot admit or deny. To the extent a response may still be required,
16	they are deni	ed.
17	28.	Answering Paragraph 28 of the Complaint, the allegations in Paragraph 28 are
18	conclusions of	of law that Rokid cannot admit or deny. To the extent a response may still be required,
19	they are deni	ed.
20	29.	Answering Paragraph 29 of the Complaint, Rokid denies that Plaintiff suffered
21	damages, as	expressed in the "DAMAGES" section of Plaintiff's Complaint and incorporates its
22	response to F	Paragraphs 37–39 as pertinent.
23		FIFTH CAUSE OF ACTION
24	FAILURE	TO PAY WAGES AND RELATED PENALTIES IN VIOLATION OF THE
25		CALIFORNIA LABOR CODE (SECTIONS 201; 203; 218.5)
26	30.	Answering Paragraph 30 of the Complaint, Rokid refers to and incorporates herein
27	by reference	its responses to all preceding allegations. Paragraph 30 of the Complaint contains no
28	allegations to	admit or deny.
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1 31. Answering Paragraph 31 of the Complaint, Rokid denies all allegations. 2 32. Answering Paragraph 32 of the Complaint, the allegations in Paragraph 32 are 3 conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required, 4 they are denied. 5 33. Answering Paragraph 33 of the Complaint, Rokid denies that it engaged in the acts 6 and omissions alleged in the Complaint. As to the remaining allegations in Paragraph 33, they are 7 conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required, 8 they are denied. 9 34. Answering Paragraph 34 of the Complaint, the allegations in Paragraph 34 are 10 conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required, 11 they are denied. 12 35. Answering Paragraph 35 of the Complaint, Rokid denies that Plaintiff suffered 13 damages, as expressed in the "DAMAGES" section of Plaintiff's Complaint and incorporates its 14 response to Paragraphs 37–39 as pertinent. 15 **DAMAGES** 16 36. Answering Paragraph 36 of the Complaint, Rokid denies that Plaintiff is entitled to 17 damages, including unpaid wages, consequential damages, losses in past earnings, future earnings, 18 deferred compensation, and other employment benefits. 19 37. Answering Paragraph 37 of the Complaint, Rokid lacks knowledge or information 20 sufficient to form a belief as to the truth of the allegations in Paragraph 37, and, on that basis, they 21 are denied. 22 38. Answering Paragraph 38 of the Complaint, the allegations in Paragraph 38 are 23 conclusions of law that Rokid cannot admit or deny. To the extent a response may still be required, 24 they are denied. 25 39. Answering Paragraph 39 of the Complaint, Rokid denies all allegations. 26 /// 27 /// 28 ///

ANSWER TO PRAYER FOR RELIEF

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- 1. Rokid denies that Plaintiff is entitled to "appropriate back and future pay, plus all fringe benefits, and other compensation" set forth in Paragraph 1 in the Prayer for Relief in Plaintiff's Complaint.
- 2. Rokid denies that Plaintiff is entitled to "damages for physical and mental suffering" set forth in Paragraph 2 in the Prayer for Relief in Plaintiff's Complaint.
- 3. Rokid denies that Plaintiff is entitled to "loss of earnings" set forth in Paragraph 3 in the Prayer for Relief in Plaintiff's Complaint.
- 4. Rokid denies that Plaintiff is entitled to "reasonable attorneys' fees and costs pursuant to Labor Code section 218, 233, 1102.5, and any other applicable law" set forth in Paragraph 4 in the Prayer for Relief in Plaintiff's Complaint.
- 5. Rokid denies that Plaintiff is entitled to "pre-judgment and post-judgment interest" set forth in Paragraph 5 in the Prayer for Relief in Plaintiff's Complaint.
- 6. Rokid denies that Plaintiff is entitled to "costs of suit" set forth in Paragraph 6 in the Prayer for Relief in Plaintiff's Complaint.
- 7. Rokid denies that Plaintiff is entitled to "other and further relief" set forth in Paragraph 11 in the Prayer for Relief in Plaintiff's Complaint.

# AFFIRMATIVE DEFENSES

Rokid asserts the following affirmative defenses. Rokid reserves the right to amend this answer for purposes of asserting such additional affirmative defenses that become available or appear during discovery in this action.

- 1. Failure to state a claim: The Complaint, and each purported cause of action alleged therein, fails to state facts sufficient to constitute a cause of action against Rokid upon which relief may be granted.
- 2. Statute of limitations: The Complaint, and each purported cause of action alleged therein, is barred by the applicable statute of limitations, including, but not limited to, the California Code of Civil Procedure sections 203(b), 210, 335.1, 337(a), 338(a), 339, 340(a), and 343.

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3. The true names and capacities, whether individual, corporate, associate or otherwise, of Counter-Defendants ROES 1-100, inclusive, are unknown to Rokid, who therefore sues these Counter-Defendants by their fictitious names. Rokid is informed and believes, and thereon alleges, that each of the Counter-Defendants designated as a fictitiously named counter-defendant is in some manner responsible for the events and happenings referred to, either contractually or tortiously, and caused the damage to Rokid alleged. When Rokid ascertains the true names and capacities of ROES 1-100, inclusive, it will ask leave of this Court to amend its Counterclaim by setting forth the same.

#### JURISDICTION AND VENUE

- 4. This Court has diversity jurisdiction under 28 U.S.C. § 1332 because Rokid is incorporated in and has its principal place of business in California, Fu is a resident of Minnesota, and the amount in controversy exceeds \$75,000. This Court also has supplemental jurisdiction over Rokid's claims under 28 U.S.C. § 1367 because they arise out of the same common nuclei of operative facts as Fu's federal complaint.
- 5. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1) and (2) because Rokid resides in this District and a substantial part of the events or omissions giving rise to Rokid's claims occurred in this District.

## **FACTUAL ALLEGATIONS**

- A. Fu Became Employed by Rokid and Signed an Employment Agreement with a Confidentiality Agreement.
- 6. Rokid specializes in the research and product development of mixed reality, artificial intelligence, and other smart products.
- 7. Fu worked for Rokid as its Vice President of Sales from approximately November 2021 until on or about May 25, 2023.
- 8. As Rokid's Vice President of Sales, Fu had access to Rokid's substantial trade secrets, including but not limited to Rokid's customer list with contact information for each of Rokid's customers.

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- 9. On November 18, 2021, Fu signed his employment agreement ("Agreement") to become Rokid's Vice President of Sales.
- Pursuant to section 9 of the Agreement ("Section 9"), Fu agreed to not divulge or 10. otherwise use any of Rokid's trade secrets both during and after his employment, except in connection with the proper discharge of his duties.
  - B. Following the End of Fu's Employment with Rokid, Rokid Learned that Fu Misappropriated Highly Valuable Trade Secrets.
    - 11. Rokid terminated Fu's employment on or around May 25, 2023.
- 12. Rokid is informed and believes, and based thereon alleges, that following his termination, Fu improperly and deliberately retained Rokid's trade secrets in the form of Rokid's customer lists and customer contacts, which also contained Rokid's customers emails and cellphone numbers, ("Trade Secrets") in violation of the Agreement.
- 13. The Trade Secrets include, among other things, the emails and cellphone numbers for Rokid's customer contacts.
- 14. Fu would not have these individuals' contact information but for his employment at Rokid, where he had access to the company's password protected Customer Relationship Management ("CRM") system.
- 15. Rokid is informed and believes, and based thereon alleges, that Fu is using the Trade Secrets to damage Rokid's business by, among other things, informing Rokid's customers that Rokid's product called the X-Craft, Model RX101, is not "Atex" certified.
- 16. "Atex" certification refers to European Union Directive 2014/34/EU which covers, among other items, equipment and protective systems intended for use in potentially explosive atmospheres. If a product is Atex certified, it means that a notified body (i.e., an organization designated by the European Union to conduct assessment procedures) has fully tested product and has approved it to be safe to use in hazardous or explosive atmospheres. Approved products will receive a "EU-Type Examination Certificate" affirming that the product complies with the essential health and safety requirements of European Union Directive 2014/34/EU.

Rokid is informed and believes, and thereon alleges, that Fu's misappropriation of

its trade secrets has been willful and malicious entitling Rokid to an award of its reasonable

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3	attorneys' fee	es and exemplary damages.
4	36.	Unless Fu is preliminarily and permanently enjoined from the foregoing conduct,
5	Rokid will be	e irreparably harmed by:
6	a.	Disclosure of trade secrets that are solely the property of Rokid;
7	b.	Use of Rokid's trade secrets to solicit customers and to disparage Rokid's
8	product(s) in	an attempt to convince Rokid customers to transfer their business away from Rokid;
9	c.	Loss of confidentiality of clients' records, loss of confidence and trust of clients,
10	loss of goods	will, and loss of business reputation; and
11	d.	Potential future economic loss, which is presently incalculable.
12	37.	Thus, Rokid is entitled to preliminary injunctive relief, restitution, compensatory
13	and exempla	ry damages, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1836.
14		SECOND COUNTERCLAIM FOR RELIEF
15	(Misapprop	oriation of Trade Secrets in Violation of California Uniform Trade Secrets Act)
16		(Against Fu and DOES 1-100)
17	38.	Rokid realleges and incorporates by reference each and every foregoing paragraph
18	of this Count	erclaim as if set forth in full.
19	39.	Rokid possesses trade secrets as defined by California's Uniform Trade Secrets
20	Act, Civil Co	ode sections 3426-3426.11, as described above.
21	40.	The Trade Secrets derive independent economic value, actual or potential, from not
22	being genera	lly known to the public or to other persons who can obtain economic value from its
23	disclosure or	use.
24	41.	Rokid has taken reasonable measures to maintain the secrecy of the trade secrets,
25	including bu	t not limited to maintaining the information in a password-protected format and
26	requiring Fu	and other employees to agree in writing to keep such information confidential.
27	42.	Rokid is informed and believes, and thereon alleges, that Fu has misappropriated
28	and threatens	s to further misappropriate the trade secrets by (i) acquiring Rokid trade secrets with 14
	DEFENDAN AGAINST F	NT'S ANSWER TO PLAINTIFF'S COMPLAINT AND COUNTERCLAIMS

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knowledge or reason to know that the trade secrets were acquired by improper means; (ii) disclosing, using, and threatening to use the trade secrets, which he acquired by improper means, without Rokid's express or implied consent; (iii) disclosing, using, and threatening to use the trade secrets without Rokid's consent with knowledge or reason to know that the trade secrets proprietary to Rokid; (iv) and soliciting or attempting to solicit Rokid customers by use of the trade secrets.

- 43. Rokid is informed and believes, and thereon alleges, that it has suffered damages, and Fu has been unjustly enriched, as a direct result of his trade secret misappropriation.
- 44. Rokid is informed and believes, and thereon alleges, that Fu's trade secrets misappropriation has caused and continues to cause Rokid irreparable injury and cannot be fully redressed through damages alone. An injunction prohibiting Fu from further use or disclosure of Rokid trade secrets, and requiring the return thereof to Rokid, is necessary to provide Rokid with complete relief.
- 45. Rokid is informed and believes, and thereon alleges, that Fu's misappropriation of its trade secrets has been willful and malicious entitling Rokid to an award of its reasonable attorneys' fees under Civil Code section 3426.4 and exemplary damages under Civil Code section 3426.3(c).

### THIRD COUNTERCLAIM FOR RELIEF

#### (Defamation)

#### (Against Fu and DOES 1-100)

- 46. Rokid realleges and incorporates by reference each and every foregoing paragraph of this Counterclaim as if set forth in full.
- 47. Fu's publications to Rokid's customers, and any other unknown third parties, that Rokid's X-Craft, Model RX101, is not Atex certified is false.
- 48. Such false statements by Fu have been and/or are being made knowingly and with malicious intent because Fu knows, by virtue of Rokid's June 19, 2023, letter to Rokid that the X-Craft, Model RX101 is Atex certified.

1	49. As a proximate result of the above-described publications, Rokid has suffered loss
2	of its reputation, to its general damage, and damage to its business and trade.
3	50. The above-described publications were published by Fu with malice, oppression or
4	fraud, and thus Rokid seeks an award of punitive damages.
5	PRAYER FOR RELIEF
6	WHEREFORE, Rokid prays for judgment against Fu as follows:
7	1. For a temporary restraining order and preliminary and permanent injunction against Fu
8	and his agents, employees, representatives, and those acting in concert:
9	a. From any further use or disclosure of Rokid's Trade Secrets defined customer
10	lists and customers contacts, which also contained Rokid's customers emails
11	and cellphone numbers;
12	b. From soliciting any of Rokid's customers whose information is contained in the
13	Trade Secrets;
14	c. From performing services for any already-solicited Rokid customers whose
15	information is contained in the Trade Secrets;
16	d. To return to Rokid all materials constituting or embodying Rokid's Trade
17	Secrets, in whatever form or format, including, without limitation, hard copies
18	and electronic data;
19	e. From destroying, erasing, or otherwise making unavailable for further
20	proceedings in this matter, any records or documents (including data or
21	information maintained in computer files or other electronic storage media) that
22	relate to the claims in this case; and
23	f. From any further use or disclosure of Rokid's Trade Secrets.
24	2. For general and special damages, plus pre-judgment and post-judgment interest thereon
25	at the legal rate until paid in full;
26	3. For punitive and exemplary damages, plus pre-judgment and post-judgment interest
27	thereon at the legal rate until paid in full;
28	4. For costs of suit;
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1	5. For its reasonable attorneys' fees; and
2	6. For such other and further relief as the Court may deem just and proper.
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4	DEMAND FOR JURY TRIAL
5	Rokid hereby demands a trial by jury, to the extent authorized by law.
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7	Dated: October 20, 2023 JACKSON LEWIS P.C.
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9	By: /s/ Spencer C. Ladd
10	Angel R. Sevilla Spencer C. Ladd
11	Attorneys for Defendant ROKID, INC.
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	DEFENDANT'S ANSWER TO PLAINTIFF'S COMPLAINT AND COUNTERCLAIMS AGAINST PLAINTIFF Case No. 3:23-cv-04327-LB